

**DEPARTMENT OF HEALTH AND FAMILY SERVICES
DIVISION OF HEALTH CARE FINANCING
ADMINISTRATOR'S MEMO SERIES**

NOTICE: 06-06

DATE: June 12, 2006

DISPOSAL DATE: June 11, 2008

RE: 2007 BASE INCOME
MAINTENANCE
ADMINISTRATIVE
ALLOCATION AND 2007
SUPPLEMENTAL
ALLOCATION -
PRELIMINARY NOTICE

To: County Departments of Human Services Directors
County Departments of Social Services Directors
Tribal Chairpersons/Human Services Facilitators
Tribal Economic Support Directors

From: Mark B. Moody
Administrator
Division of Health Care Financing

PURPOSE

This memo provides preliminary funding notice of the base Income Maintenance Administrative Allocation (IMAA) for Income Maintenance (IM) Programs for the period January 1, 2007, through December 31, 2007 (Calendar Year [CY] 2007), for counties; and October 1, 2006, through September 30, 2007 (Federal Fiscal Year [FFY] 2007), for the tribes. For 2007, base funding will include funding for MA Verification and Second Party Reviews as described in more detail below.

This preliminary notice is being shared at this time to facilitate budget planning. These preliminary allocations may change based on enactment of additional state or federal legislation. In addition, the Random Moment Time Study (RMS) impacts the amount of federal funding claimed for IM programs. As a result, the amount of federal funding available for IM administration for 2007 may be lower or higher than anticipated, and these preliminary funding amounts may be affected.

Additional allocation information for Medicaid Transportation, W-2 Funeral/Cemetery, Non W-2 Funeral/Cemetery, Public Assistance Fraud Program - Program Integrity, and Public Assistance Fraud - Investigation will be issued in one or more separate Administrator's Memos.

GENERAL IMAA FUNDING

The IMAA includes funding for the processing of the applications, reviews, changes and other tasks related to eligibility determination of the FoodShare (FS) Program, Medicaid (MA) and BadgerCare Programs, and Caretaker Supplement Program.

The state General Purpose Revenue (GPR) funding is specified and controlled under the contract. Matching federal funding to this GPR for IM related programs is included in the IMAA and is sum sufficient. Contract overspending, using local funding, is allowable. The Department will seek to obtain federal matching funds for contract overspending for IM related expenditures, and will make these funds available to the local agency. Pre-payments will be issued. Estate Recovery Program Incentive funding may supplement the IMAA for some or all counties and tribes throughout the contract period.

THE IM ADMINISTRATIVE ALLOCATION

In 2006, the base funding amount for the IMAA statewide was \$46.6 million (All Funds). An additional one-time supplemental funding amount of \$3.7 million (All Funds) was included in the 2005-07 biennial budget (WI Act 25) and identified for CY/FFY2006 IM Contracts. An additional \$0.4 million was identified as one-time supplemental funding from federal dollars DHFS was able to claim. This resulted in a total IMAA of \$50.7 million to be allocated to all agencies in 2006. This was allocated to agencies as described in Administrators Memo 05-07.

In 2007, the base funding amount statewide is currently \$46.6 million (All Funds). This is the same base funding amount as 2006. However, an additional one-time funding amount of \$4.1 million (All Funds) has been identified by DHFS. This results in a total IMAA of \$50.7 million to be allocated to all agencies in 2007.

The preliminary allocation amount of \$50.7 million for CY/FFY 2007 is the same amount of funding as was provided statewide for IMAA in CY/FFY 2006. Therefore, each agency's CY/FFY 2007 Preliminary Income Maintenance Administrative Allocation is the same as their CY/FFY 2006 allocation.

MA VERIFICATION

Additional funding was provided in the 2005-07 biennial budget for IM agencies for the administrative costs associated with additional verification for Medicaid applications.

In 2006, the statewide funding amount was \$262,500. This consisted of total funding statewide of \$87,500 from CY05, and \$175,000 from CY06. At the recommendation of the IMAC Workload and Financing subcommittee, the CY05 funding was added to the CY/FFY 2006 contract in order to allow agencies adequate time to expend these funds. These allocations were added to the base IM administrative allocation for CY/FFY 2006.

In 2007, the statewide funding amount is \$175,000. This is \$87,500 less than the amount allocated statewide in 2006. This \$175,000 will be allocated to the local agencies at the same percentage rate as the \$262,500 was allocated in 2006. This will result in a small decrease to every local agency's MA Verification allocation from 2006 to 2007. The 2006 methodology was explained in greater detail in Administrator's Memo 05-10, dated November 15, 2005. These allocations will be added to the base IM administrative allocation for CY/FFY 2007.

SECOND PARTY REVIEWS

Additional funding was provided in the 2005-07 biennial budget for IM agencies for completing Medicaid second party reviews.

The total statewide funding for 2007 is \$630,000. This is the same funding amount as 2006. Therefore, each agency's CY/FFY 2007 Second Party Reviews Allocation is the same as their CY/FFY 2006 allocation. The methodology to allocate the 2006 funding was explained in greater detail in Administrator's Memo 05-10, dated November 15, 2005. These allocations will be added to the base IM administrative allocation for CY/FFY 2007.

TOTAL IMAA

The total amount of funding statewide for the IMAA for CY/FFY 2007, as shown in Attachment 1, is \$51.5 million. In future years, the funding for MA Verification and Second Party Reviews will not be shown separately. The amounts for these activities were provided in the 2005-07 biennial budget, and in future years will become part of the base funding for IMAA.

NEXT STEPS

The allocations shown in Attachment 1 are the preliminary allocations based on the method described above and funding identified through June 2007. Final allocations may be changed depending upon availability of funding, or further assessment of the impact of the RMS on the amount of federal funding available for IM programs.

Over the next few months the language for the CY 2007 county IM contracts will be finalized. Recommendations on contract language will be shared with the Income Maintenance Advisory Committee. Contract language for the FFY 2007 tribal IM contracts is also being finalized.

ATTACHMENT

Preliminary Allocations for 2007 IMAA Contracts

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Attachment 1

AGENCY	2007 PRELIMINARY IM ALLOCATION (BASE & ONE- TIME SUPPLEMENTAL)	2007 MA VERIFICATION ALLOCATION	2007 SECOND PARTY REVIEW ALLOCATION	TOTAL 2007 PRELIMINARY IMAA
STATEWIDE TOTAL	\$50,692,561	\$175,000	\$630,000	\$51,497,561
Adams	246,714	681	3,414	250,809
Ashland	321,004	984	3,213	325,201
Bad River	160,644	287	426	161,357
Barron	557,118	2,020	7,753	566,891
Bayfield	180,952	489	2,083	183,524
Brown	1,461,434	6,163	22,182	1,489,779
Buffalo	160,644	367	1,767	162,778
Burnett	204,967	561	2,411	207,939
Calumet	198,813	639	2,792	202,244
Chippewa	548,323	1,804	7,421	557,548
Clark	306,325	1,047	4,181	311,553
Columbia	358,583	1,267	4,819	364,669
Crawford	198,438	580	2,464	201,482
Dane	2,389,174	11,527	31,826	2,432,527
Dodge	547,948	1,863	7,665	557,476
Door	212,486	790	2,816	216,092
Douglas	559,362	1,937	6,646	567,945
Dunn	356,148	1,765	4,539	362,452
Eau Claire	835,461	3,671	10,906	850,038
Florence	160,644	258	825	161,727
Fond du Lac	789,009	2,122	10,376	801,507
Forest	160,644	301	1,426	162,371
Grant	410,108	1,313	5,278	416,699
Green	271,300	758	3,610	275,668
Green Lake	168,383	507	2,100	170,990
Iowa	169,954	490	2,277	172,721
Iron	160,644	317	1,126	162,087
Jackson	226,962	698	2,871	230,531
Jefferson	501,309	2,104	7,419	510,832
Juneau	257,064	1,000	3,652	261,716
Kenosha	1,467,075	6,863	20,177	1,494,115
Kewaunee	160,644	467	1,880	162,991
La Crosse	990,361	3,524	13,197	1,007,082
Lac du Flambeau	160,644	287	884	161,815
Lafayette	160,644	386	1,669	162,699
Langlade	279,707	774	3,527	284,008
Lincoln	273,871	762	3,431	278,064
Manitowoc	595,250	1,912	8,152	605,314
Marathon	921,433	3,770	12,542	937,745

AGENCY	2007 PRELIMINARY IM ALLOCATION (BASE & ONE- TIME SUPPLEMENTAL)	2007 MA VERIFICATION ALLOCATION	2007 SECOND PARTY REVIEWS ALLOCATION	TOTAL 2007 PRELIMINARY IMAA
Marinette	441,559	1,499	6,026	449,084
Marquette	160,644	432	2,021	163,097
Menominee Co	160,644	238	990	161,872
Milwaukee	15,829,372	50,244	178,582	16,058,198
Monroe	397,988	1,200	5,001	404,189
Oconto	278,042	1,064	3,762	282,868
Oneida Co	393,047	1,141	5,128	399,316
Oneida Tribe	160,644	329	1,252	162,225
Outagamie	713,455	3,039	11,791	728,285
Ozaukee	263,620	1,052	3,603	268,275
Pepin	160,644	285	913	161,842
Pierce	205,865	920	2,636	209,421
Polk	375,544	1,342	4,969	381,855
Portage	548,885	2,245	7,099	558,229
Potawatomi Tribe	97,600	238	245	98,083
Price	258,609	677	2,881	262,167
Racine	1,679,267	6,641	21,532	1,707,440
Red Cliff	160,644	287	435	161,366
Richland	216,607	565	2,642	219,814
Rock	1,526,668	5,575	19,539	1,551,782
Rusk	235,042	539	2,661	238,242
St Croix	344,616	1,552	4,729	350,897
Sauk	440,623	1,493	6,083	448,199
Sawyer	270,056	788	3,234	274,078
Shawano	349,967	912	4,635	355,514
Sheboygan	714,927	2,936	10,321	728,184
Sokaogon	97,600	238	247	98,085
Stockbridge Munsee	97,600	238	193	98,031
Taylor	240,429	696	2,822	243,947
Trempealeau	305,293	824	3,392	309,509
Vernon	272,973	728	3,622	277,323
Vilas	172,872	480	1,968	175,320
Walworth	578,819	2,670	9,421	590,910
Washburn	221,664	651	2,976	225,291
Washington	537,128	1,964	7,661	546,753
Waukesha	1,209,508	3,949	15,753	1,229,210
Waupaca	530,154	1,498	6,833	538,485
Waushara	232,349	653	2,832	235,834
Winnebago	1,013,873	3,542	14,239	1,031,654
Wood	707,532	2,581	9,588	719,701